

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:208

ANSWERED ON:16.11.2007

RECOVERY OF TAXES

Yadav Shri Kailash Nath Singh

Will the Minister of FINANCE be pleased to state:

- (a) the difficulties being faced by the Union Government in the recovery of direct and indirect taxes;
- (b) whether the Government has reviewed the present system and formulated any targeted plan fixing responsibility for time-bound recovery of tax dues;
- (c) if so; the details thereof; and
- (d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): The difficulties being faced by the Union Government in the recovery of direct and indirect taxes are as under:

Demand pending write off; Assessors not traceable (to the extent it is likely to affect recovery); No assets/inadequate assets for recovery (to the extent of inadequacy); Protective Demand; Cases where the Department has lost in appeal but the demand is outstanding for other years or is continuing to be raised to keep the issue alive as the Department is in further appeal; Notified persons under the Special Court (Trial of offences relating to Securities) Act, 1992: Cases admitted before BIFR; Companies in liquidation; Cases before Settlement Commission; Demand stayed by various Courts/Tribunals; Demand covered by instalments (only to the extent not recoverable during the month); Demand the recovery of which is not being pursued on account of assessee's stay petition pending consideration by IT. Authorities; Cases relating to Public Sector Units pending with committee on disputes/Debt Recovery Tribunal, etc.

(b) to (c): Yes, Sir. The Government has taken various steps for time-bound recovery of taxes due. As far as direct taxes are concerned, targets have been allocated to each Chief Commissioner/ Director General of Income Tax. The Government has also constituted a Task Force under each Chief Commissioner/Director General of Income Tax to particularly monitor the demands difficult to recover and take appropriate action. In so far as indirect taxes are concerned, the Department has adopted a Task Force based approach for recovery of arrears of revenue in an effective manner. The Task Force is headed by a Chief Commissioner level officer assisted by 6 nodal officers of the rank of Commissioner. The strategy adopted for effective action in the recovery of arrears is briefly indicated below: Immediate realization of unfettered arrears; Filing of applications for stay vacation/early hearing in Courts/CESTAT; Follow up of cases pending in BIFR/DRT/OL/COD; Timely disposal of all adjudication cases pending at the level of Commissioners; Quick implementation of favourable orders of CESTAT/Courts; Posting the list of defaulters on CBEC Website to enable all the field officers to browse the website in connection with recovery action at their end; and write off of irrecoverable cases of arrears. The Govt. has set a target of Rs. 13,501/- crores, and Rs.2550/- crores with respect to Direct and Indirect taxes respectively for recovery from arrears in F.Y. 2007-08.

(d): In view of (b) & (c) above, does not arise.